



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
MARVIN SMILON, HERBERT HADAD,
MICHAEL KULSTAD
PUBLIC INFORMATION OFFICE
(212) 637-2600, (718) 422-1870

**DEFENDANT WHO FRAUDULENTLY PROMOTED STOCKS IN MILLIONS
OF SPAM E-MAILS SENTENCED TO 27 MONTHS IN U.S. PRISON**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that GLENN CONLEY was sentenced Friday in Manhattan federal court by United States District Judge DEBORAH H. BATTS to 27 months in prison for committing securities fraud through a nationwide "pump and dump" stock scheme conducted over the Internet. The scheme netted CONLEY and his co-conspirator more than \$1 million in illegal profits from trading in approximately 60 penny stocks in less than three months.

According to the Indictment and CONLEY'S statements in connection with his guilty plea, GLENN CONLEY and James Sheret, Jr., purchased thousands of shares of securities issued by thinly traded, microcap companies. They then sent out millions of unsolicited e-mails ("Spam e-mails") to America On Line ("AOL") subscribers fraudulently touting the investment prospects of the company whose shares they had just purchased. Among other

things, their Spam e-mails included price predictions that had no basis in fact and fraudulent representations that the recommendation was made by AOL itself.

CONLEY and Sheret waited until the stock price rose as a result of market reaction to their fraudulent Spam e-mails and then sold their stock at a substantial profit, often making better than a 358% return on investment in just a few days.

CONLEY and Sheret carried out their scheme from approximately October 1999 to February 2000, according to the Indictment and CONLEY'S statements at his guilty plea. To facilitate their scheme, they fraudulently opened e-mail accounts at numerous Internet Service Providers (ISPs) located throughout the United States, using false information, including false names, addresses, and telephone numbers, in order to conceal their identity.

As stated in the Indictment and admitted by CONELY in entering his guilty plea, CONLEY and Sheret used these fraudulently opened e-mail accounts to distribute millions of Spam e-mails concerning the purported investment prospects of more than 60 companies whose securities primarily traded on the National Association of Securities Dealers' Over-the-Counter Bulletin Board Electronic Trading System ("OTC Bulletin Board") or on the National Quotation Bureau's "Pink Sheets." Many of the companies touted in these Spam e-Mails had little or no business

activity, had little or no revenues, had paid no dividends in recent years, and were delinquent in their regulatory filings.

CONLEY and Sheret captioned their fraudulent Spam e-mails "AOL Investment Snapshot" and included a link to a bona fide AOL stock quotation service of the same name, according to the Indictment. However, AOL had no connection with the defendants and had not authorized them to use the "AOL Investment Snapshot" name.

In order to execute the fraudulent scheme, CONLEY's Spam e-mails highlighted a particular company whose securities he and Sheret touted as the "Stock Pick of the Day," or words to that effect, according to the Indictment. The Spam e-mails then misleadingly asserted that the price of the security was "on the rise" and provided a "target price" that, in every case, far higher than the security's then-current market price. The highly elevated "target price" asserted in the Spam e-mails was, according to the Indictment, unsupported by any bona fide news about the company or its prospects. Moreover, the Indictment alleged, while the Spam e-mails asserted that the touted security was "on the rise," CONLEY and Sheret fraudulently omitted to disclose that the increase in price and volume was due largely to their own purchases of the company's shares shortly before they began sending out their fraudulent spam e-mails.

After fraudulently touting a stock in their Spam e-mails, CONLEY and Sheret sold their shares into the artificially increased market demand and reaped substantial returns, according to the Indictment and CONLEY's statements in connection with his guilty plea. As stated in Court at the time of his plea, in connection one of the stocks he touted over the internet, specifically the stock of Sykes Datatronics Inc., CONLEY obtained a 358% return on his investment in just two days. Similarly, using Spam e-mail to tout the stock of Jumpin' Jax Corp. over the year New Year's weekend in 2000, CONLEY obtained a 228% return on his investment.

CONLEY, 34, pled guilty on July 17, 2002 to one count of conspiracy to commit securities fraud and five counts of committing securities fraud. Previously, in a related case brought by the United States Securities and Exchange Commission, CONLEY, pursuant to his plea agreement, made restitution in the amount of approximately \$459,000.

CONLEY's co-conspirator, James Sheret, Jr., 33, pled guilty on September 1, 2000, to one count of conspiracy and six counts of securities fraud in connection with the scheme. Sheret's sentencing date has not yet been scheduled.

Mr. COMEY praised the extensive investigative efforts of the United States Postal Inspection Service and thanked the SEC

for its assistance.

Assistant United States Attorneys BRIAN D. COAD and
ROBERT H. HOTZ, Jr., are in charge of the prosecution.

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